



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
HOBBS DISTRICT OFFICE

BRUCE KING  
GOVERNOR

POST OFFICE BOX 1980  
HOBBS, NEW MEXICO 88241-1980  
(505) 393-6161

October 1, 1993

Yates Petroleum Corp.  
ATT: Clifton R. May  
105 S. 4th. Street  
Artesia, NM 88210

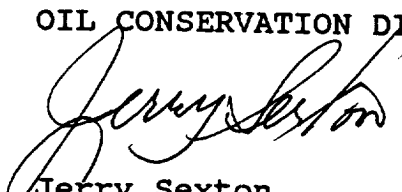
RE: Potash Area  
Spring AKJ State  
#1-B, 2-20S-32E

Gentlemen:

Your (C-101) application to drill the Spring ALK State #1-B, 2-20S-32E has been denied, because this well is located in an LMR. As you probably know, the Commission has had hearings on exceptions to the prohibition against drilling within an LMR or buffer zone without agreement from the Potash lessee and some orders issued. At this time set policy for handling these cases has not been established and we recommend you discuss with the Division Director, Bill LeMay, the future handling of this application.

Yours very truly,

OIL CONSERVATION DIVISION

  
Jerry Sexton  
District I, Supervisor

JS: dp  
cc: Bill LaMay

enclosure

*Handwritten:* SC 106  
7-14-98



# OIL CONSERVATION DIVISION

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

CORRECTED C-101

API NO. (assigned by OCD on New Wells)
30-025-30877
5. Indicate Type of Lease
STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
V-3426

## APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work:		7. Lease Name or Unit Agreement Name			
DRILL <input type="checkbox"/> RE-ENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>		Spring AKJ State			
b. Type of Well:		8. Well No.			
OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>		1			
2. Name of Operator		9. Pool name or Wildcat			
Yates Petroleum Corporation		East Lusk Delaware			
3. Address of Operator					
105 South Fourth Street, Artesia, New Mexico 88210					
4. Well Location					
Unit Letter <u>B</u> : <u>660</u> Feet From The <u>North</u> Line and <u>1980</u> Feet From The <u>East</u> Line					
Section <u>2</u> Township <u>20 South</u> Range <u>32 East</u> NMPM <u>Lea</u> County					
10. Proposed Depth		11. Formation			
8000'		Delaware			
12. Rotary or C.T.		13. Elevations (Show whether DF, RT, GR, etc.)			
Rotary		3510' GL			
14. Kind & Status Plug. Bond		15. Drilling Contractor			
Blanket		Undesignated			
16. Approx. Date Work will start		17. PROPOSED CASING AND CEMENT PROGRAM			
ASAP					
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
26#	20"	94#	1145'	1200 sx	Circulate
17 1/2"	13 3/8"	54.5#	3100'	1500 sx	Circulate
11"	8 5/8"	32#	4400'	2400 sx	Circulate
7 7/8"	5 1/2"	17# & 20#	TD	2600 sx	Tie Back

Yates Petroleum Corporation proposes to drill and test the Delaware and intermediate formations. Approximately 1145' of surface casing will be set and cement circulated. Approximately 3100' of salt protection casing will be set and cement circulated. Approximately 4400' of intermediate casing will be set and cement circulated. If commercial, production casing will be run and cemented back to 100' inside the 8 5/8" casing, perforated and stimulated as needed for production.

NOTE: Corrected C-101 changing the casing program.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Clifton R. May TITLE Permit Agent DATE 7/7/93  
TYPE OR PRINT NAME Clifton R. May TELEPHONE NO. 748-1471

(This space for State Use)

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

CONDITIONS OF APPROVAL, IF ANY:

Permit Expires 6 Months From Approval  
Date Unless Drilling Underway.

# OIL CONSERVATION DIVISION

P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210

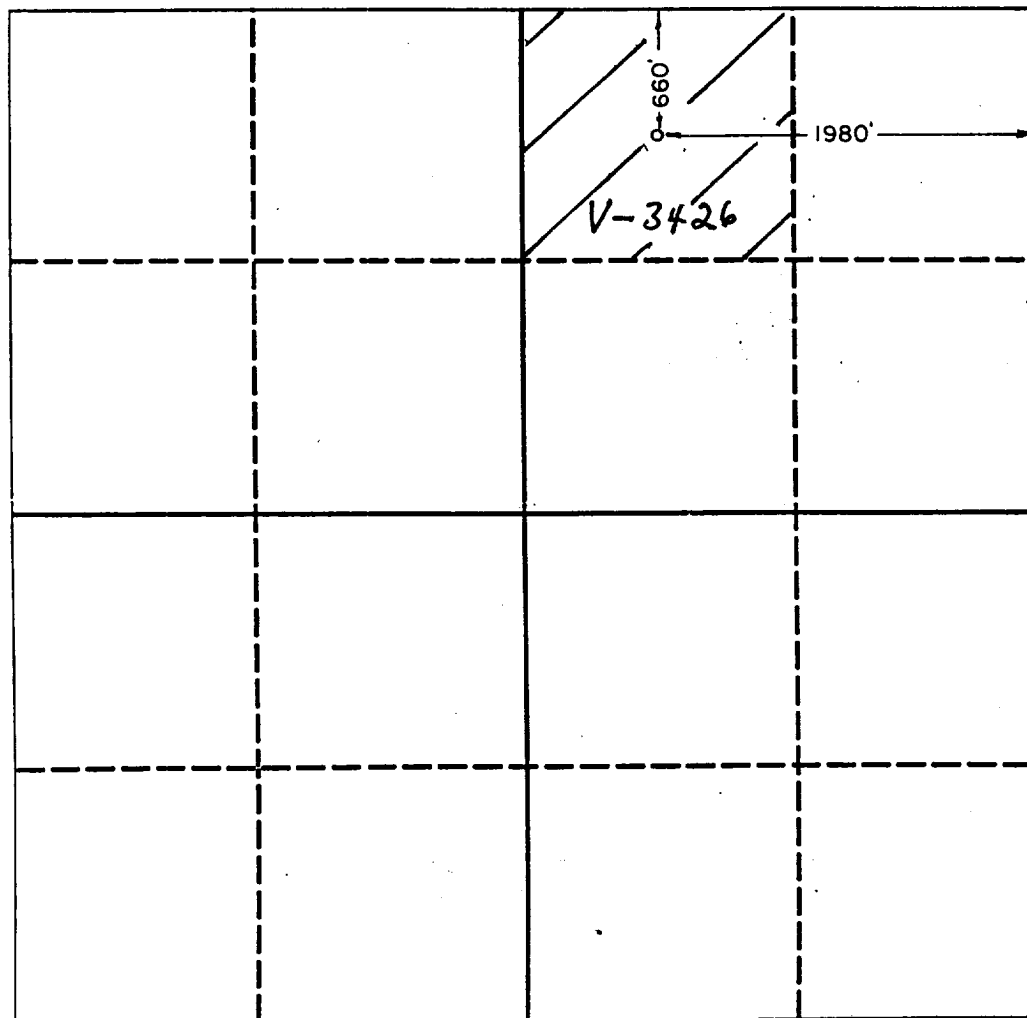
DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

## WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator <b>YATES PETROLEUM CORPORATION</b>			Lease <b>SPRING "AKJ" STATE</b>		Well No. <b>1</b>
Unit Letter <b>B</b>	Section <b>2</b>	Township <b>20 SOUTH</b>	Range <b>32 EAST</b>	County <b>NMPM LEA</b>	
Actual Footage Location of Well: <b>660</b> feet from the <b>NORTH</b> line and <b>1980</b> feet from the <b>EAST</b> line					
Ground level Elev. <b>3510' GR</b>	Producing Formation <b>DELAWARE</b>		Pool <b>EAST LUCK DELAWARE</b>		Dedicated Acreage: <b>40</b> Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?  
☐ Yes ☐ No If answer is "yes" type of consolidation \_\_\_\_\_  
If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary). \_\_\_\_\_  
No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



### OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature Clifton R. May  
Printed Name Clifton R. May  
Position Permit Agent  
Company Yates Petroleum Corporation  
Date 6/28/93

### SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed 1/2/94  
Signature of Professional Surveyor Herschel L. Jones  
Professional Surveyor 3640  
Certificate No. 1384

0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0

BLM approves federal wells in potash area so we do not have to worry about this.

### STATE & FEE LEASES

Post to map and if within the potash area outlined on map or within 1 mile of that area do the following:

- 1) Make certain operator has filed a plat of the area showing the potash lessees for the area where the well is located as well as the 1-mile radius referred to.
- 2) Make certain operator has notified all of the potash lessees by certified mail of the APD. They must send copy of delivery notice to us since 20-day waiting period starts from delivery date.
- 3) Send letter to BLM and SLO advising them of this APD and request they advise if this location is within LMR or buffer zone.

BUFFER ZONE -- shallow well is 1/4 mile of LMR  
-- deep well is 1/2 mile of LMR

- 4) If application is within LMR or buffer zone you must DENY it under R-111-P unless, there is a mutual agreement of lessor and lessees of oil & gas and potash interests. Copy of this agreement must be submitted with APD.
- 5) If application is outside LMR or buffer zone and no objection is received within 20 days from date of receipt by potash lessees of certified notice, the APD may be approved.

### CHECK LIST FOR PROCESSING APD IN POTASH AREA

OPERATOR: Yates Petroleum Corp

LEASE & WELL Spring AKJ State # 1-B

LOCATION 22D-32 66D/N 1800/E PROPOSED DEPTH 8000'

DATE APD RECEIVED 6-29-93 WAS PLAT OF AREA ATTACHED \_\_\_\_\_

WERE ALL POTASH LESSEES NOTIFIED BY CERTIFIED MAIL? yes

20-DAY WAITING PERIOD BEGINS \_\_\_\_\_ ENDS \_\_\_\_\_

WERE WAIVERS RECEIVED? \_\_\_\_\_

DATE SLO NOTIFIED 9-22-93 DATE REPLY RECEIVED 9-30-93

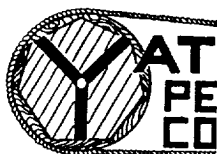
DATE BLM NOTIFIED 9-22-93 DATE REPLY RECEIVED 9-30-93

IS LOCATION INSIDE LMR OR BUFFER ZONE? YES ☒ NO ☐

IF LOCATION INSIDE LMR OR BUFFER ZONE WAS LESSEE/LESSOR AGREEMENT FURNISHED No

DATE APD APPROVED \_\_\_\_\_ DATE APD DENIED \_\_\_\_\_

MARTIN YATES, III  
1912 - 1985  
FRANK W. YATES  
1936 - 1986



105 SOUTH I  
ARTESIA, NE  
TELEPHONE

June 28, 1993

Noranda Minerals, Inc.  
1 Adelaide Street East  
Suite 2700  
Toronto, Ont., Canada M5C 2Z6

Attention: Mr. Frank Condon  
Director, Business Developn

54017730269

To Be Completed By Post Office	Reg. Fee \$ 45	Special \$ Delivery
	Handling \$	Return \$ Receipt
	Charge	Restricted \$ Delivery
	Postage \$ 63	
Received by <i>JS</i>		
To Be Completed By Customer (Please Print) All Entries Must Be in Ball Point or Typed	Customer Must Declare Full Value \$	<input checked="" type="checkbox"/> With Postal Insurance <input type="checkbox"/> Without Postal Insurance
	FROM <i>Clifton May - Yates Petroleum Corp.</i> <i>105 SOUTH FOURTH ST.</i> <i>ARTESIA N.M. 88210</i>	
TO <i>FRANK CONDON / NORANDA MINERALS</i> <i>1 ADELAIDE ST. EAST SUITE 2700</i> <i>TORONTO ONT. CANADA M5C 2Z6</i>		

PS Form 3806. RECEIPT FOR REGISTERED MAIL (Customer Copy)  
April 1991 (See Information on Reverse)

Domestic Insurance Is Limited To \$25,000; International Indemnity Is Limited (See Reverse)

Reference: Spring "AKJ" State #1  
660' FNL and 1980' FEL  
Section 2; T20S-R32E  
Lea County, New Mexico

Dear Mr. Condon:

It has been well over a year since you objected to Yates Petroleum Corporation drilling this well. We would like for you to reconsider this location. We are filing an application for Permit to Drill with the Oil Conservation District in Hobbs, New Mexico.

This same location was filed and approved to drill by the Oil Conservation District on April 30, 1990 as the Texaco AHL St. #1. I am enclosing a copy of that APD.

We request that you give this location your favorable consideration and waive any objections and so indicate by signing and returning one copy of this letter in the enclosed envelope.

Sincerely

YATES PETROLEUM CORPORATION

*Clifton R. May*  
Clifton R. May

NO OBJECTIONS OFFERED

NORANDA MINERALS, INC.

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

OBJECTIONS OFFERED

NORANDA MINERALS, INC.

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**RECEIVED**

**JUL 08 1993**

**OCD HOEBS  
OFFICE**



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
HOBBS DISTRICT OFFICE

BRUCE KING  
GOVERNOR

September 22, 1993

POST OFFICE BOX 1980  
HOBBS, NEW MEXICO 88241-1980  
(505) 393-6161

BUREAU OF LAND MANAGEMENT  
P.O. Box 1778  
Carlsbad, NM 88221

STATE LAND OFFICE  
Attn: Ernie Szabo  
P.O. Box 1148  
Santa Fe, NM 87504

RE: APPLICATION FOR PERMIT TO DRILL IN POTASH AREA

OPERATOR Yates Petroleum Corp.

LEASE NAME Spring AKJ State #1-B

PROPOSED LOCATION 660/N & 1980/E Sec. 2, T-20S, R-32E

PROPOSED DEPTH 8000'

Gentlemen:

The application for permit to drill identified above has been filled with this office of the New Mexico Oil Conservation Division. Pursuant to the provisions of Oil Conservation Division Order R-111-P, please advise this office whether the location is within an established Life-of-Mine-Reserve area filed with and approved by your office. If not, please advise whether it is within the buffer zone established by the order.

Thank you for your assistance. Please return as soon as possible.

Very truly yours,

OIL CONSERVATION DIVISION

Jerry Sexton  
Supervisor, District I

RESPONSE:

The above-referenced location is in LMR ----- Yes ☒ No ☐

The above-referenced location is within the buffer zone----- Yes ☐ No ☐

Signed Floyd O. Prando  
Representing State Land Office  
Oil, Gas & Minerals Division

Date September 27, 1993

*SR MRAZ  
9-27-93*



**RECEIVED**

SEP 20 1993

U.S. HOUSE  
OFFICE





STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION  
HOBBS DISTRICT OFFICE

BRUCE KING  
GOVERNOR

September 22, 1993

RECEIVED  
SEP 23 10 25 AM '93  
OIL  
AREA

POST OFFICE BOX 1980  
HOBBS, NEW MEXICO 88241-1980  
(505) 393-6161

BUREAU OF LAND MANAGEMENT  
P.O. Box 1778  
Carlsbad, NM 88221

STATE LAND OFFICE  
Attn: Ernie Szabo  
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Very truly yours,

OIL CONSERVATION DIVISION

Jerry Sexton  
Supervisor, District I

RESPONSE:

The above-referenced location is in LMR ----- Yes ☐ No ☒

The above-referenced location is within the buffer zone----- Yes ☐ No ☒

Signed GARY HARRIS

Date 9-29-93

Representing BLM



**RECEIVED**

SEP 20 1993

U.S. HOUSE  
OFFICE